

**Kellie Martinec**

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**From:** Kern, Gretchen <Gretchen.Kern@pxd.com>  
**Sent:** Thursday, March 28, 2013 4:16 PM  
**To:** rulescoordinator  
**Cc:** Dunkel, Michael  
**Subject:** Formal comments on RRC Rule 3.13 Amendments-O&G Docket No. 20-0277738  
**Attachments:** Pioneer Comments to 16 TAC 3.13 Revised v.2 Proposed Amendments.3.28.13.pdf

Attached, please find formal comments of Pioneer Natural Resources on RRC's Final Revised Proposed Amendments to 16 TAC 3.13 relating to Casing, Cementing, Drilling and Completion Requirements (third revision overall to Proposed Rule 13; O&G Docket No. 20-0277738) that were published in the TX Register on February 15, 2013. Pioneer is submitting these comments to be included in the public record during the formal comment period of this Rule, ending April 1, 2013.

~~Should you have any questions, please contact me per the information below or Michael Dunkel at 972-969-5944 or [Michael.Dunkel@pxd.com](mailto:Michael.Dunkel@pxd.com).~~

Pioneer appreciates your continued time and consideration.

Gretchen Kern

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# PIONEER

## NATURAL RESOURCES

**Michael Dunkel**  
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March 28, 2013

Rules Coordinator  
Office of General Counsel  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

*Also submitted electronically to [rulescoordinator@rrc.state.tx.us](mailto:rulescoordinator@rrc.state.tx.us)*

**Re: Comments of Pioneer Natural Resources on Second Formally Proposed Amendments to Railroad Commission of Texas 16 TAC 3.13 Casing, Cementing, Drilling, and Completion Requirements; O&G Docket No. 20-0277738**

Dear Rules Coordinator:

Pioneer Natural Resources USA, Inc. ("Pioneer") accepts this third opportunity to submit the following comments to the Railroad Commission of Texas on the second published "formally proposed" amendments to Rule 3.13 pertaining to casing, cementing, drilling, and completion requirements ("Formally Revised Proposed Amendments"), and the Rule as a whole (collectively "the Rule"). Pioneer submitted detailed comments on the first proposed amendments, published in the Texas Register on September 7, 2012, and on RRC's second "informally proposed" revisions to the amendments, distributed on December 11, 2012. Pioneer greatly appreciates the multiple opportunities to comment on this rule, and the RRC's extensive time and collaboration with industry to achieve practical solutions that raise the regulatory requirements.

Pioneer is a large independent oil and gas exploration and production company, headquartered in Dallas, Texas. The company employs nearly 4,000 people and produces approximately 150,000 barrels of oil equivalent per day. The company's assets include the Spraberry and Wolfcamp trend areas, the Eagle Ford and Edwards trend areas, the Barnett Shale, and the West Panhandle gas field located in Texas. Complementing these areas, Pioneer also has exploration, development, and oil and gas production activities in the Raton gas field located in southern Colorado, the Hugoton gas field located in southwest Kansas, and Alaska.

The current amendments, as proposed, have been substantially revised since the original proposal published in the Texas Register on September 7, 2012. First, Pioneer would like to extend our thanks to the RRC for their extensive collaboration with our company specifically, and through the various industry

trade groups, to discuss the Rule in detail, negotiate and craft language, and achieve agreement that is amenable to both the RRC and industry's objectives. Also, Pioneer appreciates RRC's receptiveness to industry's comments and publication of a second formal proposal of revised amendments which generally address industry's concerns surrounding operational and technical infeasibility, unnecessary cost implications, and clarification for ease of compliance.

Pioneer offers the following concise additional comments to the two rule provisions outlined below in order to address a select few remaining items that Pioneer believes are necessary technical and clarifying revisions. If left unchanged, the new proposed language, as drafted, will result in significant operational difficulties to Pioneer in certain circumstances.

#### **1. Potential Flow Zone Definition Language (a)(N)**

In regard to "potential flow zones" requiring isolation under the "cemented casing" requirement of (a)(4)(D), Pioneer suggests a modification to specific language in this definition, concurrent with TxOGA's comments. While Pioneer supports RRC's intent to isolate potential corrosive or hydrocarbon-bearing flow zones from the protection depth, the current language in the definition, *"or sufficient to cause the fluids in the annulus to maintain a static fluid level at or less than 250 vertical feet below the protection depth"* is over encompassing and exceeds necessary environmental safeguards to protect fresh groundwater zones. If this last sentence in the proposed definition is not removed, as this term is applied to the cementing requirements in (a)(4)(d), operators would potentially be required to bring cement to surface or 200' inside the previous casing on every string, in every well in the state, regardless of the necessity due to the wellbore fluids' corrosive or hydrocarbon bearing properties. As discussed in previous comments, this is not technically or economically feasible, and outside of the intent of the Rule. Further, based on meetings with RRC to understand the purpose of this definition, this specific amended language is beyond the scope of RRC's intent. *Therefore, Pioneer requests the above italicized proposed rule language be stricken from the Potential Flow Zone definition in the Rule.*

#### **2. Requirement for Wells on which Hydraulic Fracturing will be Conducted (a)(7)(A)**

The Formally Revised Proposed Amendments require that "all casing installed in a well that will be subjected to fracture stimulation shall have a minimum internal yield pressure rating designed to withstand at least 1.15 times the maximum pressure to which casing may be subjected." Although this figure is an improvement from RRC's first proposed revision of 1.2, *Pioneer recommends that the current proposed 1.15 figure be changed to 1.1 because this factor is an industry standard proven over many years to be safe and effective.* All casing manufacturers already include a 1.125 safety factor in the listed max internal pressure rating. Thus, the 1.1 safety factor is a *safety factor on top of a safety factor.* Using this *additional* safety factor of 1.1 is an industry standard best practice and Pioneer's standard operating practice. Operators already have every incentive to not exceed the pressure rating of the



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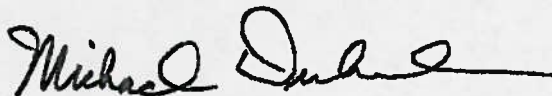
casing; if the casing connection falls due to pressure, it essentially leaves the wellbore unusable. Therefore, the minimum yield pressure rating of 1.15 is not technically justified or necessary.

The above comments describe Pioneer's two remaining concerns with the Formally Revised Proposed Amendments. Pioneer requests your thoughtful consideration of these select remaining items and welcomes continued collaboration in finalizing this Rule so the entirety of the Rule is compatible with RRC, industry, the public and other stakeholders. Again, Pioneer greatly appreciates RRC's time, attention and diligence throughout this lengthy process of multiple revisions to this Rule.

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Should you have any questions, please contact Michael Dunkel at 972-969-5955 or [Michael.Dunkel@pxd.com](mailto:Michael.Dunkel@pxd.com).

Thank you,

A handwritten signature in black ink, appearing to read "Michael Dunkel", with a stylized, flowing script.

Michael Dunkel  
Director, Sustainable Development